



Billing Code: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-825]

Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review; 2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that Jindal Poly Films Limited of India (Jindal) and SRF Limited (SRF), exporters of polyethylene terephthalate film, sheet, and strip (PET film) from India, received countervailable subsidies during the period of review (POR) January 1, 2016, through December 31, 2016.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Elfi Blum at 202-482-0197, AD/CVD Operations, Office VII, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of this review on August 10, 2018.¹ For a history of events that occurred since the *Preliminary Results*, see the Issues and Decision

¹ See *Polyethylene Terephthalate Film, Sheet and Strip from India: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2016*, 83 FR 39677 (August 10, 2018) (*Preliminary Results*).

Memorandum.² On November 27, 2018, we postponed the final results of review by sixty days until February 6, 2019. Commerce exercised its discretion to toll deadlines affected by the closure of the Federal Government from January 20 to January 22, 2018. If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The deadline for the final results of this administrative review is now March 18, 2019.³

Based on an analysis of the comments received and record information, we have revised our calculations for SRF. The final subsidy rates are listed in the "Final Results of Administrative Review" section below.

Scope of the Order

For the purposes of the order, the products covered are all gauges of raw, pretreated, or primed polyethylene terephthalate film, sheet and strip, whether extruded or coextruded. Excluded are metallized films and other finished films that have had at least one of their surfaces modified by the application of a performance-enhancing resinous or inorganic layer of more than 0.00001 inches thick. Imports of PET film are classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 3920.62.00.90. HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the order is dispositive.

Analysis of Comments Received

All issues raised by the interested parties in their case and rebuttal briefs are addressed in

² See Memorandum re: Issues and Decision Memorandum for the Final Results in the Countervailing Duty Administrative Review of Polyethylene Terephthalate Film, Sheet and Strip from India," dated concurrently with this determination and hereby adopted by this notice (Issues and Decision Memorandum).

³ See Memorandum for The Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

the Issues and Decision Memorandum. The issues are identified in the Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://trade.gov/enforcement/frn/index.html>. The signed Issues and Decision Memorandum and electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on the comments received from the GOI, Jindal, and SRF, and the rebuttal comments received from the petitioners, we made changes to our rate calculations for Jindal and SRF. We determined countervailability for certain income tax programs and calculated rates for Jindal and SRF: "Income Tax Deductions under Section 35 for Research and Development (R&D) Expenses (Section 35 R&D Tax Deductions)" and "Section 32 for Investments into new Plants and Machinery (Section 32 Capital Investment Deductions) of the Income Tax Act, 1961." In addition, we made minor changes for two of SRF's programs: "Exemption from Payment of Central Sales Tax (CST) on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material" and "State and Union Territory Sales Tax Incentive Programs." For a discussion of these issues, *see* the Issues and Decision Memorandum.

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁴ For a description of the methodology underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Jindal and SRF were above *de minimis* and not based entirely on facts available, we applied, consistent with section 705(c)(5)(A) of the Act, a subsidy rate based on a simple average of the subsidy rates calculated for Jindal and SRF because publicly ranged sales value data was not submitted by both respondents.

Final Results of Administrative Review

In accordance with section 777A(e)(1) of the Act and 19 CFR 351.221(b)(5), we determine the total estimated net countervailable subsidy rates for the period January 1, 2016, through December 31, 2016 to be:

Manufacturer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Jindal Poly Films of India Limited	11.26
SRF Limited	7.54
Chiripal Poly Films Limited	9.40
Ester Industries Limited	9.40
Garware Polyester Ltd.	9.40

⁴ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Polyplex Corporation Ltd.	9.40
Vacmet India Limited	9.40

Assessment and Cash Deposit Requirements

In accordance with 19 CFR 351.212(b)(2), Commerce intends to issue appropriate instructions to U.S. Customs and Border Protection (CBP) 15 days after publication of the final results of this review. Commerce will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by the companies listed above, entered or withdrawn from warehouse, for consumption from January 1, 2016, through December 31, 2016, at the percent rates, as listed above for each of the respective companies, of the entered value.

Commerce intends also to instruct CBP to collect cash deposits of estimated countervailing duties, in the amounts shown above for each of the respective companies shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most-recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a final reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested.

Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: March 19, 2019.

Christian Marsh,

Deputy Assistant Secretary

for Enforcement and Compliance.

APPENDIX

Issues and Decision Memorandum

- I. Summary
- II. List of Issues
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- XI. Analysis of Comments
 - Comment 1: Whether Commerce may countervail certain benefits respondents received pursuant to the Merchandise Exports from India Scheme (MEIS).
 - Comment 2: Whether deductions under sections 32AC, 35(1)(iv), and 35 (2AB) of the Indian Income Tax Act are countervailable subsidies.
 - Comment 3: Whether Commerce clearly identified which components of duties were included in the benefit calculations of the Export Promotion Capital Goods Scheme (EPCGS).
 - Comment 4: Whether the GOI has a verification system in place for the Duty Drawback Scheme (DDB) that is effective and reasonable, and whether Commerce is obligated to calculate the “excess remission,” pursuant to the SCM Agreement.⁵
 - Comment 5: Whether Commerce incorrectly determined the Special Economic Zone (SEZ) program to be contingent on export performance.

⁵ See the Agreement on Subsidies and Countervailing Measures, April 15, 1994, Marrakesh Agreement Establishing the World Trade Organization (SCM Agreement).

- Comment 6: Whether the Advance Authorization Scheme (AAS) is a countervailable subsidy, and whether Commerce is obligated to calculate the “excess remission,” pursuant to the SCM Agreement.⁶
- Comment 7: Whether Commerce used the most recent turnover data reported by SRF in its rate calculations for respondent.
- Comment 8: Whether Chiripal was omitted from the list of respondents not selected for individual review.

XII. Recommendation

⁶ *Id.*

